

## Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 INR-10 SS-15 RSC-01 RSR-01 /064 W

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R 261439 Z JUN 73

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 1568

LIMITED OFFICIAL USE THE HAGUE 2863

STADIS//////////

E. O. 11652: N/ A

TAGS: EIND, ETRD, US, NL

SUBJECT: STEEL VRA -- WIRE ROD IMPORTS

REF: STATE 117212

1. WE HAVE DISCUSSED ORBAN/ NKF TRANSACTION WITH NKF SALES MAN-  
AGER HOORWEG. HOORWEG SAID THAT NKF QUOTA OF 15,000 TONS MEN-  
TIONED REFTTEL HAS NEVER BEEN OFFICIALLY CONFIRMED FOR 1973 BY  
HOOGOSENS, WHICH REPRESENTS HOLLAND IN EUROPEAN STEEL CLUB. IN  
FACT NKF CLAIMED QUOTA OF 20,000 TONS FOR 1973 MONTHS AGO AND  
PLANS TO MAKE SHIPMENT UP TO THAT AMOUNT IN ABSENCE OF EARLY  
REJECTION BY HOOGOSENS. 15,000 TONS OF THIS WAS ALREADY COMMITTED  
BEFORE ORBAN ORDER WAS RECEIVED.

2. SINCE ORBAN, ALTHOUGH CUSTOMER IN THIS CASE, HAS BEEN AGENT  
OF NKF IN UNITED STATES FOR SOME YEARS, HOORWEG IS FAVORABLY  
DISPOSED TO FILLING ORDER EVEN THOUGH MATERIAL WILL BE HARD TO  
FIND AND COULD BE SOLD MORE PROFITABLY ELSEWHERE. HOORWEG ASKED  
ORBAN TO ATTEMPT TO WORK OUT QUOTA PROBLEM AT US END BUT, IF  
THAT SHOULD PROVE UNFEASIBLE, IS PREPARED TO GO AHEAD WITH SHIP-  
MENT TAKING RISK THAT NKF QUOTA WILL SUBSEQUENTLY BE FIXED AT  
15,000 TONS AND THUS BE OVERSUBSCRIBED. IN MEANTIME HOORWEG  
IS RELUCTANT TO PRESS HOOGOSENS ON 20,000 TON CLAIM FOR FEAR  
OF IMMEDIATE REJECTION.

3. REQUEST DEPARTMENT RECONSIDER WHETHER THERE IS ANY POSS-  
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IBILITY IT COULD PROVIDE SPECIAL QUOTA FOR ORBAN BY UNILATERAL  
USG ACTION. IF THIS IS DEFINITELY PRECLUDED, REQUEST WE BE AUTH-  
ORIZED TO INFORM HOORWEG TO THAT EFFECT IN WHICH EVENT WE BELIEVE  
TRANSACTION WILL BE IMPLEMENTED. ALSO REQUEST THAT FOREGOING BE  
CONVEYED, IN DEPARTMENT'S DISCRETION, TO ORBAN WHO WROTE  
PERSONAL LETTER TO AMBASSADOR MIDDENDORF ON THIS CASE JUNE 15.

4. COMMENT: THIS INCIDENT REVEALS HAPHAZARD EUROPEAN, OR AT LEAST  
DUTCH, CONDUCT OF VRA. WITH YEAR HALF OVER NKF HAS STILL NOT  
RECEIVED FORMAL NOTIFICATION OF ITS 1973 QUOTA AND IS WILLING TO  
GAMBLE THAT 1972 QUOTA OF 15,000 TONS WILL BE INCREASED TO  
20,000 THIS YEAR.

5. IT ALSO INDICATES THAT STEEL RESTRAINT PROGRAM MAY BE ANACH-  
RONISTIC IN LIGHT OF CURRENT MARKET CONDITIONS. ORBAN'S LETTER  
TO AMBASSADOR MIDDENDORF SAID HE WOULD HAVE TO "SHUT DOWN" IF  
WIRE ROD, NOW "IN DESPERATELY SHORT SUPPLY," IS NOT FORTHCOMING  
BY OCTOBER. THUS UNLESS WE CONNIVE WITH NKF IN POSSIBLE SUBVERSION  
OF EUROPEAN QUOTA SYSTEM WE MAY BE CONTRIBUTING TO LAYOFFS IN  
WAYNE, NEW JERSEY, WITH NO ASSURANCE THAT THIS WILL SAVE JOBS  
IN PITTSBURGH. END COMMENT.  
TANGUY

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NNNNMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* STADIS

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 JUN 1973  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973THEHA02863  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Film Number:** n/a  
**From:** THE HAGUE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730628/aaaajnvh.tel  
**Line Count:** 88  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** STADIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** STADIS  
**Reference:** 73 STATE 117212  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 19 SEP 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <19-Sep-2001 by smithrj>; APPROVED <20-Nov-2001 by garlanwa>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> jms 980225  
**Subject:** STEEL VRA -- WIRE ROD IMPORTS  
**TAGS:** EIND, ETRD, NL, US  
**To:** EB  
SECSTATE WASHDC  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005